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June 22, 1994

RECORDATION NO. _____ FILED 1425

JUN 22 1994 -9 05 AM

INTERSTATE COMMERCE COMMISSION

New Recordation No.

Dear Mr. Strickland:

On behalf of Industrial Investment Corporation, I submit for filing and recording under 49 U.S.C. § 11303(a) and the regulations promulgated thereunder, executed counterparts of a primary document, not previously recorded, entitled Railroad Equipment Lease ("Lease"), dated and effective as of April 1, 1994.

The parties to the enclosed Lease are:

Industrial Investment Corporation
P.O. Box 706
Galion, Ohio 44833

— LESSOR

Atlantic & Western Railway, Limited Partnership
Suite 302
100 Professional Park
Carrolton, GA 30117

— LESSEE

The said Lease, among other things, acts to lease fifty (50) boxcars by the Lessor to the Lessee.

The equipment covered by the instant Lease is as identified in the Lease as "seventy ton" plug door boxcars equipped with belt rails end of car cushioning.

A short summary of the Lease to appear in the ICC Index is as follows:

"Covers 50 boxcars, M&B 9001-9050."

Enclosed is a check in the amount of eighteen dollars (\$18.00) in payment of the filing fee.

Once the filing has been made, please return to bearer the stamped counterpart(s) of the document not required for filing purposes, together with the fee receipt, the letter from the ICC acknowledging the filing, and the two extra copies of this letter of transmittal.

Very truly yours,

Allen H. Harrison, Jr.

Attorney for Industrial Investment Corporation
for the purpose of this filing.

Honorable Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
Washington, D.C. 20423
Enclosures
BY HAND

8376 -020

counterparts Allen H. Harrison

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

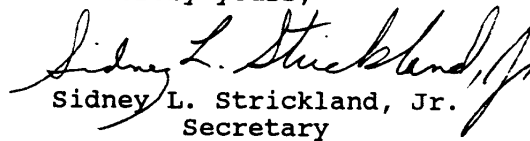
June 22, 1994

ALLEN H. HARRISON, JR.
DONELAN, CLEARY, WOOD & MASER
1275 K STREET, NW SUITE 850
WASHINGTON DC 20005-4078

Dear MR. HARRISON:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/22/94 at 9:05AM , and assigned recordation number(s).18853 and 18854.

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

RAILROAD EQUIPMENT LEASE INTERSTATE COMMERCE COMMISSION

THIS CAR LEASE (Lease) dated and effective as of April 1, 1994, is by and between INDUSTRIAL INVESTMENT CORPORATION (IIC) and ATLANTIC & WESTERN RAILWAY, LIMITED PARTNERSHIP (ATW).

1. **Capitalization and Titles.** Capitalized words are used herein for the convenience of the parties. The specific definitions or uses of such words are contained in the body of the Lease. All titles to the paragraphs are for the information and convenience of the parties and are not substantive.

2. **Cars.** IIC agrees to furnish, and ATW agrees to accept, subject to the provisions of this Lease, up to sixty five (65) "seventy ton" plug door boxcars equipped with belt rails end of car cushioning (the "Cars"). Only Cars that are accepted by ATW are subject to this Lease. MERIDAN & BIGBEE RAILROAD COMPANY (M&B) will sublease (ATW/M&B Lease) these Cars from ATW. Any Car accepted by M&B under said sublease shall be deemed accepted by ATW under this Lease. A complete list of all accepted Cars will be attached as Schedule A.

3. **Term.** The initial term of this Lease is five (5) years, beginning June 1, 1994, or the date of acceptance for Cars that are accepted earlier, and continuing through May 31, 1999 or the end of the storage period, as provided herein, whichever occurs later. Thereafter, ATW may extend the Lease for four (4) additional terms of two (2) years each, provided that notice of renewal is extended to IIC not later than ninety (90) days prior to the expiration of the then current term. The Lease Rental for any extension of the Lease shall be the same as the initial Lease Rental set forth in Paragraph 5 hereof.

4. **Transfer and Use.** IIC agrees to deliver the Cars to ATW at Washington, Indiana. ATW agrees to return the Cars to IIC at interchange points on the lines of M&B as designated by IIC. ATW is solely responsible for all linehaul, switching and accessorial charges applicable to the movement of Cars to M&B's interchange point at the onset of the Lease, and IIC is responsible for all such charges after ATW has the Cars delivered to IIC's designated M&B's interchange points after the termination of the Lease. ATW is responsible for all charges incurred in returning the Cars to the designated interchange points. ATW agrees that in the ATW/M&B Lease, a provision will be incorporated which states that M&B agrees to use the Cars exclusively in its own service and interchange service with other railroads, and shall have full authority to direct the movement of the Cars to any location in the continental United States, Mexico and Canada.

5. **Rental.** ATW shall pay IIC a rental of \$130.00 per Car per month for each Car accepted by ATW. Payments are due monthly in advance commencing on June 1, 1994 or the date on which the Cars are accepted. Rental shall cease and be prorated as of the date of withdrawal of any Car from this Lease pursuant to the **Destruction of Car** paragraph.

6. **Incorporation of Documents:** Except as otherwise expressly provided herein, the parties agree to incorporate and be governed by the provisions of the Field Manual of the AAR Interchange Rules, AAR Circular No. OT-5 and 49 CFR parts 215, 231 and 232, all as amended, supplemented or superseded throughout the term of this Lease.

7. **Maintenance and Repair.** The Cars are leased to ATW on a "net" basis. ATW shall cause M&B to perform all required maintenance and repairs to the cars during the Lease term without cost to IIC. At the end of the Lease term the Cars shall be returned to IIC in the same condition as they were given, normal wear and tear excepted.

8. **Inspection.** Each of the Cars will be inspected by the parties at the beginning and ending of this Lease at times and locations as mutually agreed between the parties. The conditions of each Car will be noted on a joint inspection certificate (JIC). Should either party waive inspection, the records of the other party shall control. (A) All Cars must be delivered to ATW in the following condition: (1) empty, (2) in good operating status, (3) acceptable as being capable of immediate loading and transportation of the intended commodities, and (4) suitable for interchange in accordance with the interchange Rules of the Association of American Railroads (AAR Rules); (B) All Cars will be returned in interchange condition subject to reasonable wear and tear and possible cleaning; and (C) If a Car is in need of repair prior to acceptance for delivery or return, a separate joint inspection will be held after repairs have been made. Should either party waive inspection, the records of the other party will control regarding the condition of the Car on that date.

9. **Car Hire Charges.** ATW or M&B shall collect and retain the car hire charges (time and mileage) earned by the Cars, subject to all applicable tariffs, circulars and contracts.

10. **Destruction of Car:** Any Car that is damaged or destroyed beyond economic repair will be deleted from this Agreement as of the date IIC has received payment under the attached casualty schedule, if such Destruction occurs on the lines of ATW or M&B, or under Rule 107 of the AAR Interchange Rules if destruction occurs on the Lines other than ATW

or M&B. Rental payments will continue until payment for destruction has been received by IIC. No replacement Car will be furnished unless agreed upon by both parties.

11. DISCLAIMER OF WARRANTIES. IIC, NOT BEING THE MANUFACTURER OF THE CARS, NOR THE MANUFACTURER'S AGENT, HEREBY EXPRESSLY DISCLAIMS AND MAKES TO ATW NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR OTHERWISE. IIC HEREBY ACKNOWLEDGES THAT ANY MANUFACTURER'S AND/OR SELLER'S WARRANTIES ARE FOR THE BENEFIT OF BOTH IIC AND ATW.

12. Lettering. ATW, at its expense, shall apply its own reporting marks and number and AEI tags to all Cars that are accepted. If, as is anticipated, ATW subleases the Car to M&B, ATW shall insure that M&B, at its expense, shall apply its own reporting marks and numbers and AEI tags to all Cars that are accepted. IIC, at its expense, shall remove ATW's and/or M&B's reporting marks and numbers and AEI tags once this Lease has expired and after the Cars have been delivered to their ultimate destination.

13. Sublease. ATW may sublease the Cars to M&B, and said sublease shall contain the provision: "Lessee may sublease any of the Cars to any third party of its choosing. Notwithstanding any such sublease, Lessee shall continue to remain liable to Lessor under all conditions and terms of this Lease and such sublease shall be subject and subordinate to this Lease. Except for the rights contained in this Lease, no right, title or interest in any of the Car shall vest in Lessee by reason of this Lease."

14. Default. If ATW shall fail to perform any of its obligations hereunder, IIC shall provide written notice to ATW, specifying the alleged failure. If such failure has not been substantially corrected within: (A) ten (10) days for payment of Rent or (B) forty-five (45) days for any other alleged failure, IIC, at its sole election, may terminate this Lease upon three (3) days written notice, such notice however will not relieve ATW of its obligations for the rental payment on such cars.

15. Assignment of Lease. This Lease shall be assignable by IIC and by its assigns without the consent of ATW, but ATW shall not be

obligated to any assignee of IIC except upon written notice of such assignment from IIC or such assignee. Notwithstanding anything to the contrary contained herein, the obligation of ATW to pay Rental to such assignee shall be absolute and unconditional and shall not be affected by any circumstances whatsoever and such payment shall be made without interruption or abatement notwithstanding any event or circumstance whatsoever, including, without limitation, the bankruptcy or insolvency of ATW or any disaffirmance of this Lease by or on behalf of ATW, and notwithstanding any defense, setoff, recoupment or counterclaim or any other right whatsoever, whether by reason of breach of this Lease or otherwise which ATW may now or hereafter have against IIC and whether any such event shall be by reason of any act or omission of IIC or otherwise (except as previously excluded in this paragraph); provided however, that nothing herein contained shall effect any right of ATW to enforce against IIC any claim which ATW may have against IIC in any manner other than by abatement, attachment, or recoupment or interference with, or set-off, counterclaim or defense against, the aforementioned payments to be made to such assignee. ATW's undertaking herein to pay the Rental to and to perform the other obligations of ATW hereunder for the benefit of an assignee of ATW shall constitute a direct, independent and unconditional obligation of ATW to said assignee. ATW also acknowledges and agrees that any assignee of IIC's interest in this Lease shall have the right to exercise all rights, privileges and remedies (either in its own name or in the name of IIC) which by the terms of this Lease are permitted to be exercised by IIC.

16. **Return Tender and Storage.** ATW shall gather the Cars at the end of the term of this Lease and shall notify IIC that the Cars are available for inspection. The aforementioned notice shall: (A) constitute the return tender of the Cars; (B) terminate any rental payments; and (C) begin the storage period. ATW shall provide free storage for the Cars for up to sixty (60) days from the date of return tender, after which a charge of \$3.00 per Car per day shall apply until receipt of forwarding instructions from IIC. ATW shall not be responsible for loss or damage sustained to the Cars during the storage period, unless due to the sole negligence of ATW.

17. **Taxes.** ATW agrees to assume responsibility for and to pay any applicable sales, use or similar taxes resulting from the Lease or use of the Cars. ATW may protest or otherwise contest against the taxes for which it is responsible for payment to the taxing authority, and agrees to pay any penalty or interest, if unsuccessful. Notwithstanding any other provisions of this Lease, IIC is solely responsible for the payment of all income

taxes assessed against it for any Rental payments or other income received or deductions taken by it in connection with this Lease.

18. Title, Possession and Assignment. IIC is aware of and acknowledges the importance of ATW's and M&B's right to sole possession and quiet enjoyment of the Cars for the entirety of this Lease. IIC represents: (A) that it is either the sole owner of the Cars or has the sole right and authority to lease the Cars as provided herein, (B) that ATW is entitled to receive all car hire charges and/or mileage allowance payments that accrue when such Cars are off the lines of ATW and (C) no other party has any rights that might affect ATW's rights to possession and peaceful enjoyment of the Cars under this Lease as long as ATW is in compliance with its obligations.

19. Capital Expenditures and Depreciation. Capital expenditures have been required to be made to the Cars prior to the Cars being accepted by M&B under the ATW/M&B Lease. The letter agreement for those capital expenditures, dated January 17, 1994, between IIC as Assignor of IIC, ATW and Washington Railcar, Inc., is attached as Schedule B. By execution of this Lease, IIC and ATW agree that IIC, or its Assignee, shall have the sole right to take all depreciation for the Cars, including depreciation for all capital expenditures made to the Cars for delivery to M&B under the ATW/M&B Lease.

20. Car Modifications: Should any car require modification pursuant to a regulation of the U.S. Department of Transportation or other agency having jurisdiction over the operation or use of the Cars, IIC may elect to do either of the following: (A) permanently delete the affected cars from this Lease upon ninety (90) days' notice or (B) arrange to make the appropriate modifications at its expense. If the modifications are made by IIC at its expense, the Term for the Cars will be extended, without additional expense, by the number of days the Cars are out of ATW's service. If IIC elects option (A), ATW has forty five (45) days from receipt of IIC's notice within which to notify IIC that ATW will perform the appropriate modifications at its expense. If the modifications are made by ATW at its expense the Term for the Cars will be extended , at existing rental rates, by the number of days, rounded to the nearest whole, obtained by dividing ATW's total charges for performing the modifications by the proportional daily rate for the Cars.

21. **Notices.** Unless otherwise provided, any notice sent pursuant to this Lease must be in writing sent by 1st Class U.S. Mail or confirmed telefax and addressed as follows:

To IIC: Industrial Investment Corporation
342 Harding Way West
P. O. Box 706
Galion, Ohio 44833

To ATW: Atlantic & Western Railway,
Limited Partnership
Attn: K. Earl Durden
2605 Thomas Drive
Panama City Beach, Florida 32408

Either party may change its address upon notice to the other party.

22. **Non-Waiver.** The failure of either party to enforce any provisions of this Lease or to prosecute any default shall not be considered as a waiver of that provision or as a bar to the prosecution of that default unless so indicated in writing.

23. **Insurance.** The ATW will at all times during the term of this Lease, and until return of the Cars to IIC, at ATW's sole expense, or if the Cars are subleased to M&B, at M&B's expense, cause to be carried and maintained insurance or self-insurance retention in respect to its obligations assumed under this Lease in amounts and against such risks customarily insured against by comparable railroad companies. ATW will annually furnish IIC with a schedule of such coverage, upon written request.

24. **UMLER.** ATW or, if the Cars are subleased to M&B, M&B will be shown as the Lessee of the Cars in the AAR UMLER file.

25. **Casualty Statement.** The amounts contained in the attached casualty schedule will apply when ATW is responsible for the payment of a Car that is destroyed or damaged beyond economic repair, as described in Destruction of Car paragraph.

26. **Entire Understanding.** This Lease constitutes the entire understanding of the parties, has been drafted on a basis of mutual input, shall be construed pursuant to the laws of the State of Florida, and shall be binding upon the parties, their respective successors, assigns and legal

representatives. It shall remain in full force and effect until all Cars have been tendered at the appropriate interchange point for return to IIC. Any modification to this Lease must be in writing and signed by both parties.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed by their duly authorized officials.

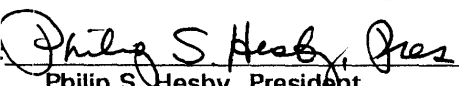
ATLANTIC & WESTERN RAILWAY, LIMITED PARTNERSHIP,
BY RAIL MANAGEMENT AND CONSULTING CORPORATION.
ITS GENERAL PARTNER, (ATW),

By: _____


K. Earl Durden, President

INDUSTRIAL INVESTMENT CORPORATION, (IIC),

By: _____



Philip S. Hesby, President

STATE OF FLORIDA

COUNTY OF BAY

I, the undersigned authority in and for said County and State, hereby certify that K. Earl Durden, whose name as President of the Rail Management & Consulting Corporation, a corporation, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day, that, being informed of the contents of the conveyance, he, as such officer and with full authority, executed the same voluntarily for and as the act of said Corporation.

Given under my hand and official seal this 20 day of May.
1994.



Notary Public



DAVID SCOTT HELMS
My Commission CC326324
Expires Oct. 25, 1997
Bonded by HAI
800-422-1555

STATE OF Ohio)
COUNTY OF Crawford)SS

Before me this date personally appeared PHILIP S. HESBY, to me personally known, who being by me duly sworn, says that he is the President of Industrial Investment Corporation, the Lessor named in the foregoing Lease, that said Lease was signed on behalf of Industrial Investment Corporation by him as President and he acknowledged that the execution of the foregoing Lease was his free act and deed and the free act and deed of said corporation.

In witness whereof, I have hereunto set my hand and affixed my official seal at Galion, Ohio, this 21st day of May, 1994.

Gretchen T. Kempf
Notary Public



GRETCHEN T. KEMPF
NOTARY PUBLIC
STATE OF OHIO
My Commission Expires

4-12-1995

Casualty Schedule for 50 boxcars leased from IIC to ATW, having car numbers M&B 9001 through M on 9050:

Initial Casualty Value: \$16,000

Casualty Value After
Payment Number:

Casualty Value After
Payment Number:

1	15,883	31	12,384
2	15,767	32	12,287
3	15,650	33	12,150
4	15,533	34	12,034
5	15,417	35	11,917
6	15,300	36	11,800
7	15,183	37	11,884
8	15,067	38	11,567
9	14,950	39	11,450
10	14,833	40	11,334
11	14,717	41	11,217
12	14,600	42	11,100
13	14,483	43	10,984
14	14,367	44	10,867
15	14,250	45	10,750
16	14,133	46	10,634
17	14,017	47	10,517
18	13,900	48	10,400
19	13,783	49	10,284
20	13,667	50	10,167
21	13,550	51	10,050
22	13,433	52	9,934
23	13,317	53	9,817
24	13,200	54	9,700
25	13,084	55	9,584
26	12,967	56	9,467
27	12,850	57	9,350
28	12,734	58	9,234
29	12,617	59	9,117
30	12,600	60	9,000

(NUMERIC ORDER BY NEW M&B NUMBER)
FINAL LIST OF ALL 50 BOXCARS GIVEN BY WASHINGTON RAILCAR
AS OF THIS DATE
TO CSXT FOR DELIVERY TO M&B
(50 CARS)

<u>M&B NO.</u>	<u>OLD SOO NO.</u>	<u>DATE GIVEN TO CSXT</u>
9001	17500	5/26/94
9002	17504	6/8/94
9003	17506	5/26/94
9004	17518	5/20/94
9005	17528	5/25/94
9006	17530	4/29/94
9007	17536	5/20/94
9008	17546	4/29/94
9009	17548	5/31/94
9010	17550	4/29/94
9011	17558	5/13/94
9012	17560	5/13/94
9013	17564	6/6/94
9014	17576	6/8/94
9015	17586	5/24/94
9016	17590	4/29/94
9017	17600	4/29/94
9018	17608	4/29/94
9019	17618	5/20/94
9020	17622	4/29/94
9021	17636	5/24/94
9022	17638	5/13/94
9023	17640	5/13/94
9024	17648	4/29/94
9025	17652	5/27/94
9026	17678	5/27/94
9027	17682	5/20/94
9028	17684	5/20/94
9029	17708	5/13/94
9030	17728	6/16/94
9031	17736	4/29/94
9032	17742	4/29/94
9033	17746	4/29/94
9034	17748	4/29/94
9035	17754	6/1/94

Page 2. Final list of all 50 Cars given to CSXT for delivery to M&B (as of
6/16/94 3:00 p.m. EDST (NUMERIC ORDER BY NEW M&B
NUMBER):

9036	17770	6/3/94
9037	17784	520/94
9038	17790	6/1/94
9039	17800	5/13/94
9040	17804	4/29/94
9041	17808	5/31/94
9042	17812	4/29/94
9043	17820	6/2/94
9044	17828	6/3/94
9045	17834	5/20/94
9046	17836	6/9/94
9047	17840	6/2/94
9048	17846	5/25/94
9049	17764	6/6/94
9050	17570	6/3/94

(NUMERIC ORDER BY OLD SOO LINE NUMBER)
FINAL LIST OF ALL 50 BOXCARS GIVEN BY WASHINGTON RAILCAR
AS OF THIS DATE
TO CSXT FOR DELIVERY TO M&B
(50 CARS)

<u>M&B NO.</u>	<u>OLD SOO NO.</u>	<u>DATE GIVEN TO CSXT</u>
9001	17500	5/26/94
9002	17504	6/8/94
9003	17506	5/26/94
9004	17518	5/20/94
9005	17528	5/25/94
9006	17530	4/29/94
9007	17536	5/20/94
9008	17546	4/29/94
9009	17548	5/31/94
9010	17550	4/29/94
9011	17558	5/13/94
9012	17560	5/13/94
9013	17564	6/6/94
9050	17570	6/3/94
9014	17576	6/8/94
9015	17586	5/24/94
9016	17590	4/29/94
9017	17600	4/29/94
9018	17608	4/29/94
9019	17618	5/20/94
9020	17622	4/29/94
9021	17636	5/24/94
9022	17638	5/13/94
9023	17640	5/13/94
9024	17648	4/29/94
9025	17652	5/27/94
9026	17678	5/27/94
9027	17682	5/20/94
9028	17684	5/20/94
9029	17708	5/13/94
9030	17728	6/16/94
9031	17736	4/29/94
9032	17742	4/29/94
9033	17746	4/29/94
9034	17748	4/29/94
9035	17754	6/1/94

Page 2. Final list of all 50 Cars given to CSXT for delivery to M&B (as of
6/16/94 3:00 p.m. EDT (NUMERIC ORDER BY OLD SOO LINE
NUMBER):

9049	17764	6/6/94
9036	17770	6/3/94
9037	17784	520/94
9038	17790	6/1/94
9039	17800	5/13/94
9040	17804	4/29/94
9041	17808	5/31/94
9042	17812	4/29/94
9043	17820	6/2/94
9044	17828	6/3/94
9045	17834	5/20/94
9046	17836	6/9/94
9047	17840	6/2/94
9048	17846	5/25/94